



UNITED STATES
ATOMIC ENERGY COMMISSION

WASHINGTON, D.C. 20545

AUG 25 1966

IDENTICAL LETTERS SENT TO:

Stanley Roboff, General Astrometals
William Greenleaf, Beryllium Metals
G. S. Mikhalapov, Brush Beryllium

Dear Mr. Boland:

We appreciated the opportunity to meet with you and the representatives of the other beryllium companies on August 1, 1966, and to receive in writing your combined views concerning activities of the Atomic Energy Commission as they relate to the beryllium metal industry.

As you know, the Commission has a responsibility to the Congress and to the public to carry out its business in the most prudent and economical manner and a concurrent interest in fostering a healthy domestic private industry. We are obliged to take into account any substantial cost differential for a product that can be obtained through the use of Government-owned facilities such as those at Rocky Flats and the cost of the same product procured commercially.

As you know, the AEC contractor at Rocky Flats issued an invitation on August 12, 1966, requesting fixed price bids on 1900 blanks. We are also prepared to entertain proposals from several manufacturers in the industry for the manufacture of small quantities (50-100 blanks) to enable industry to obtain sufficient production experience in order that production economies can be achieved through the wrought process or some other equally effective process. These proposals will be evaluated, giving consideration to the technical capability of the proposer and all legitimate factors of cost comparison.

As soon as the industry has had time to gain the production experience referred to above and is in a position to offer products at acceptable prices, future Rocky Flats beryllium production work will be placed on a commercial basis. AEC will continue its efforts to keep the industry currently informed of new technology and requirements.

To alleviate one of the concerns of the industry, we wish to assure you that AEC will not solicit work from other Government agencies nor enter into production of beryllium products for commercial users. It is possible that situations

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may arise, though none are known to date, where it will be necessary to perform work for other Government agencies; however, these will be reviewed on a case-by-case basis, and will be undertaken only after complete review of all relevant factors, including the availability of product through normal commercial channels at reasonable cost and on acceptable delivery schedules.

The AEC will continue to offer for sale a portion of the scrap beryllium generated in AEC operations. Such offerings will be in small lots in accordance with existing practices.

The Commission is making a genuine effort to enable the continued participation of the beryllium industry in meeting Commission requirements. We believe there has been some misunderstanding of previous AEC actions, and we find no basis for the assertion that the performance of work at Rocky Flats represents an act of bad faith.

We trust that, through the procedures I have outlined, the beryllium industry will be able to achieve such economies in its production techniques as to enable further commercial participation in the work presently being performed at Rocky Flats.

Cordially,

John F. Bess

Chairman

Mr. Lawrence F. Boland
Executive Vice President
The Beryllium Corporation
Reading, Pennsylvania 19603

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